

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

Case No. 1:18CR513

vs.

Cleveland, Ohio  
Tuesday, November 19, 2019  
11:13 a.m.

AARON L. EISENBERG,

Defendant.

TRANSCRIPT OF CHANGE OF PLEA HEARING  
BEFORE THE HONORABLE JONATHAN D. GREENBERG  
UNITED STATES MAGISTRATE JUDGE

## APPEARANCES:

For the Government: Aaron P. Howell  
Office of the U.S. Attorney - Akron  
2 South Main Street, Room 208  
Akron, Ohio 44308  
(330) 375-5716

For the Defendant: Angelo F. Lonardo  
Yelsky & Lonardo  
323 Lakeside Avenue, W, Suite 450  
Cleveland, Ohio 44113  
(216) 781-2550

Court Reporter: Caroline Mahnke, RMR, CRR, CRC  
Federal Building & U.S. Courthouse  
2 South Main Street, Suite 568  
Akron, Ohio 44308  
(330) 252-6021

Proceedings recorded by ECRO; transcript produced by computer-aided transcription.

Tuesday, November 19, 2019

THE DEPUTY CLERK: All rise.

THE COURT: Thank you. Please be seated.

THE DEPUTY CLERK: Court calls Case Number

1:18CR513, United States of America versus Aaron Eisenberg.

THE COURT: Good morning.

On behalf of the United States.

MR. HOWELL: Good morning, Your Honor. Aaron

Howell on behalf of the United States.

THE COURT: On behalf of the defendant.

MR. LONARDO: Angelo Lonardo on behalf of Aaron Eisenberg, Your Honor.

THE COURT: Thank you.

Mr. Howell, is this a matter that the Crime Victims' Rights Act would apply to?

MR. HOWELL: No, Your Honor.

THE COURT: Very well.

Sir, you are Aaron L. Eisenberg?

THE DEFENDANT: Yes.

THE COURT: You can be seated, but I appreciate it.

Why don't you slide that microphone up to you so we can hear you and record what you're saying.

Sir, I have been informed you wish to plead guilty today. Is my understanding correct?

1 THE DEFENDANT: Correct.

2 THE COURT: Sir, I also understand you have  
3 consented to this Court receiving your plea.

4 Is that correct?

5 THE DEFENDANT: Correct.

9 Sir, is that your signature on the consent form?

10 THE DEFENDANT: It is.

11 THE COURT: Have you discussed that consent with  
12 your attorney?

13 THE DEFENDANT: I did.

14 THE COURT: Sir, do you understand you have a  
15 right to offer your guilty plea to Judge Boyko, the trial  
16 judge in this case?

17 THE DEFENDANT: Yes.

18 THE COURT: You need to speak into the  
19 microphone.

20 THE DEFENDANT: Yes.

24 THE DEFENDANT: Yes.

25 THE COURT: Sir, do you still wish to proceed

1 with your plea here today?

2 THE DEFENDANT: Yes.

3 THE COURT: Sir, the purposes of this proceeding  
4 are to establish you're competent to make a plea -- you can  
5 sit up, please -- that you're competent to make a plea, to  
6 make sure that your plea is free and voluntary, to be  
7 certain that you understand the charges asserted against  
8 you, the maximum penalties for those charges, and the  
9 constitutional rights that you will be giving up by pleading  
10 guilty.

11 Sir, we will also determine that there is a factual  
12 basis for the plea and then to receive your plea.

13 During today's proceeding I'll be asking you a series  
14 of questions. The court reporter will record my questions  
15 and your answers. Only spoken or oral answers can be  
16 recorded as opposed to a nod of the head or any other kind  
17 of gesture. So please clearly state your answers.

18 If you don't understand the questions or at any time  
19 you wish to consult with your attorney, please say so  
20 because it's essential to a valid plea that you understand  
21 each question before you answer.

22 Do you understand these instructions?

23 THE DEFENDANT: Yes.

24 THE COURT: Again, you need to speak into the  
25 mic. We need to be able to take your --

1 THE DEFENDANT: Yes.

2 THE COURT: Sir, you have a right to remain  
3 silent. You are not required to make a statement. Anything  
4 you say may be used against you. Before receiving your  
5 guilty plea, there are a number of questions I will ask to  
6 assure that your plea is valid. By answering these  
7 questions, you will be making statements against your  
8 interest and you will incriminate yourself.

9                   Do you understand that by proceeding here today with a  
10 guilty plea you will necessarily be giving up your right to  
11 remain silent?

12 THE DEFENDANT: Yes.

13 THE COURT: The clerk will please swear in the  
14 defendant.

15 (The Defendant was sworn in.)

16 THE COURT: Please be seated.

17 Now, as part of this proceeding I must determine that  
18 you're competent, that is, that you understand the  
19 proceedings and are entering a knowing plea.

20 What is your full name?

21 THE DEFENDANT: Aaron Lee Eisenberg.

22 THE COURT: Sir, how old are you?

23 THE DEFENDANT: Forty years old.

24 THE COURT: Are you a citizen of the United  
25 States?

1 THE DEFENDANT: Yes.

2 THE COURT: How far did you go in school?

3 THE DEFENDANT: I have a bachelor's degree from  
4 The Ohio State.

5 THE COURT: So I'm correct you're able to both  
6 speak, understand, and read and write the English language?

7 THE DEFENDANT: Correct.

11 THE DEFENDANT: No.

12 THE COURT: In the last 12 months have you been  
13 treated for any mental illness, addiction to alcohol, or  
14 addiction to narcotic drugs?

15 THE DEFENDANT: Yes.

16 THE COURT: Sir, is there anything about whatever  
17 it is you've been treated for or any addiction you have that  
18 inhibits your ability to understand what's happening here  
19 today in court?

20 THE DEFENDANT: No.

21 THE COURT: Well, let me ask you this. In the  
22 past 24 hours, have you taken any medication, drugs, or  
23 alcohol?

24 THE DEFENDANT: Medication, yes.

25 THE COURT: So would that also be the issue as it

1 relates to -- these are prescribed medications?

2 THE DEFENDANT: Yes.

3 THE COURT: So in the last 12 months you've also  
4 received prescribed medications. Is that a fair statement?

5 THE DEFENDANT: Yes.

6 THE COURT: Is there anything about those  
7 medications that makes it difficult for you to understand me  
8 talking to you?

9 THE DEFENDANT: No.

10 THE COURT: Is there anything about those  
11 medications that makes it difficult for you to understand  
12 what I'm saying to you?

13 THE DEFENDANT: No.

14 THE COURT: Is there anything about those  
15 medications that makes it difficult for you to have  
16 meaningful conversation with Mr. Lonardo and decide what's  
17 the best course of action and for you to understand his  
18 advice?

19 THE DEFENDANT: I'm good.

20 THE COURT: So that means no, there is nothing  
21 about it?

22 THE DEFENDANT: Nothing.

23 THE COURT: Mr. Howell, do you have any doubt as  
24 to this defendant's competence to plead at this time?

25 MR. HOWELL: No, Your Honor.

1                   THE COURT: Mr. Lonardo, do you have any doubt as  
2 to your client's competence to plead at this time?

3                   MR. LONARDO: I have no doubt as to his  
4 competence to plea at this time.

5                   As the plea agreement indicates, he has had mental  
6 health issues. I've been particularly sensitive towards  
7 those.

8                   We have had issues throughout our relationship, but as  
9 we sit here today, I'm very confident that he understands  
10 what's going on and he understands what's involved here and  
11 that he's competent to enter a change of plea.

12                  THE COURT: Sir, you have a constitutional right  
13 to be represented by an attorney at each and every stage of  
14 these proceedings. If you can't afford an attorney, one  
15 will be appointed to represent you at no cost.

16                  Now, you're currently being represented by Mr. Lonardo  
17 here today. Is that correct?

18                  THE DEFENDANT: Correct.

19                  THE COURT: Have you had enough time to discuss  
20 the charges made against you and the response to those  
21 charges with Mr. Lonardo?

22                  THE DEFENDANT: Yes.

23                  THE COURT: And are you completely satisfied with  
24 your attorney's representation and the advice he's given  
25 you?

1 THE DEFENDANT: Yes.

2 THE COURT: Sir, by proceeding with a guilty  
3 plea, you'll be giving up several constitutional rights. I  
4 next want to review with you those rights and establish you  
5 understand what you're giving up by pleading guilty.

6 You have a right to stand by your plea of not guilty  
7 and to require the government to proceed to trial.

8 You have a right to a trial by jury including the  
9 assistance of counsel at trial.

10 At such a trial, you would be presumed innocent and  
11 the government would be required to prove you guilty by  
12 competent evidence beyond a reasonable doubt. You would not  
13 have to prove that you're innocent.

14 Do you understand these rights?

15 THE DEFENDANT: Yes.

16 THE COURT: And do you understand that by  
17 pleading guilty you'll be giving up these rights?

18 THE DEFENDANT: Yes.

19 THE COURT: Sir, you also have a right to  
20 compulsory process. That is, at trial you have the right to  
21 the issuance of subpoenas to require the attendance of  
22 witnesses to testify on your behalf or produce exhibits or  
23 documents for trial.

24 Do you understand your right to compulsory process?

25 THE DEFENDANT: Yes.

1                   THE COURT: And, sir, do you understand that by  
2 pleading guilty you'll be giving up this right?

3                   THE DEFENDANT: Yes.

4                   THE COURT: Sir, you also have the right to see,  
5 hear, and cross-examine all witnesses that the United States  
6 may present against you.

7                   Do you understand your right to confront the witnesses  
8 who would testify against you?

9                   THE DEFENDANT: Yes.

10                  THE COURT: And do you understand that by  
11 pleading guilty you'll be giving up this right?

12                  THE DEFENDANT: Yes.

13                  THE COURT: Sir, you have the right to remain  
14 silent at trial. While you would have the right to testify  
15 if you chose to do so, you would also have the right not to  
16 testify, and no inference or suggestion of guilt could be  
17 drawn from the fact that you did not testify.

18                  Do you understand your right to remain silent?

19                  THE DEFENDANT: Yes.

20                  THE COURT: And do you understand that by  
21 pleading guilty you will be giving up this right?

22                  THE DEFENDANT: Yes.

23                  THE COURT: Sir, as I stated earlier, if you  
24 proceed with your plea of guilty, you give up your right not  
25 to incriminate yourself. You will have to acknowledge that

1 you engaged in criminal conduct to make a valid guilty plea.

2 Do you understand your right not to incriminate  
3 yourself?

4 THE DEFENDANT: Yes.

5 THE COURT: And do you understand that by  
6 pleading guilty you will be giving up this right?

7 THE DEFENDANT: Yes.

8 THE COURT: Now, if you plead guilty and Judge  
9 Boyko accepts your plea, do you understand that you give up  
10 your right to trial and the other rights I've just  
11 discussed, that there will be no trial, and that the  
12 district judge will enter a judgment of guilty and sentence  
13 you on the basis of your guilty plea after considering a  
14 presentence report?

15 Do you understand this, Mr. Eisenberg?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand the offense to  
18 which you're pleading guilty is a felony offense and that a  
19 judgment of guilty may deprive you of other civil rights  
20 such as the right to vote, the right to hold public office,  
21 the right to serve on a jury, and the right to possess any  
22 kind of firearm?

23 THE DEFENDANT: Yes.

24 THE COURT: Sir, do you have a copy of the  
25 indictment?

1 THE DEFENDANT: Yes.

2 THE COURT: Have you discussed with your attorney  
3 the charges in the indictment to which you intend to plead  
4 guilty?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand the charges made  
7 against you in the indictment?

8 THE DEFENDANT: Yes.

13 MR. HOWELL: Yes, Your Honor.

14 In regards to Count 1, the statute is Title 18, United  
15 States Code, Section 1956(h), conspiracy to launder money.

16                   Faces a maximum term of imprisonment of up to 20  
17 years, a maximum statutory fine of \$4.6 million, maximum  
18 period of supervised release of three years, and a mandatory  
19 \$100 special assessment.

20 Count 7, same code section, Title 18, United States  
21 Code, Section 1956(h), conspiracy to launder money.

22                   Same penalties in regards to the maximum term of  
23 imprisonment, 20 years. Maximum statutory fine for Count 7  
24 is \$493,809. The maximum period of supervised release is  
25 three years. And there is a \$100 mandatory special

1 assessment.

2 THE COURT: Is there any restitution, Mr. Howell?

3 MR. HOWELL: No, Your Honor.

4 THE COURT: And any forfeiture?

5 MR. HOWELL: Yes, Your Honor.

6 In regards to the forfeiture, the defendant has  
7 reviewed the forfeiture provision contained in the  
8 indictment. Defendant states he's not the owner of, has no  
9 interest in, and will not contest the forfeiture of the  
10 assets listed therein.

11 THE COURT: Mr. Eisenberg, do you understand the  
12 maximum possible penalties you're facing?

13 THE DEFENDANT: Yes.

14 THE COURT: Do you also understand the forfeiture  
15 issue which was just described by Assistant United States  
16 Attorney Howell?

17 THE DEFENDANT: Yes.

18 THE COURT: And do you also understand the  
19 Court's obligation to impose a special assessment in this  
20 case?

21 THE DEFENDANT: I'm not sure what the special  
22 assessment means.

23 MR. LONARDO: It's \$100 for each count.

24 THE COURT: Mr. Lonardo, would you like a moment  
25 with your client?

1                   Why don't you do the white noise.

2                   (Pause.)

3                   THE DEFENDANT: Okay.

4                   THE COURT: So, again I ask you, do you  
5 understand the Court's obligation to impose a special  
6 assessment in this case?

7                   THE DEFENDANT: Yes.

8                   THE COURT: Let me finish the question before you  
9 answer.

10                  Do you understand the Court's obligation to impose a  
11 special assessment in this case?

12                  THE DEFENDANT: Yes.

13                  THE COURT: Sir, is your desire to plead guilty  
14 the result of an exercise of your own free will?

15                  THE DEFENDANT: Yes.

16                  THE COURT: Has anyone threatened you or  
17 threatened anyone else or forced you in any way to plead  
18 guilty?

19                  THE DEFENDANT: No.

20                  THE COURT: It's my understanding a plea  
21 agreement has been entered into between you and the United  
22 States or your lawyer on your behalf; is that correct?

23                  THE DEFENDANT: Yes.

24                  THE COURT: Do you have a copy of the plea  
25 agreement?

1 THE DEFENDANT: Yes.

2 THE COURT: I would like you to take a look at my  
3 copy which is an original.

6 THE DEFENDANT: Yes.

7 THE COURT: You didn't even look.

8 THE DEFENDANT: It seemed redundant.

9 Yes.

10 THE COURT: Now, at the bottom right-hand corner  
11 of each page there are initials. Do you see those initials?

12 THE DEFENDANT: Yes.

13 THE COURT: And are those your initials?

14 THE DEFENDANT: They are.

15 THE COURT: Written by you?

16 THE DEFENDANT: Yes.

17 THE COURT: Look at page 2 of the plea agreement.

18 There is a handwritten edit that says "three years."

19 Do you see that?

20 THE DEFENDANT: Yes.

21 THE COURT: And there is initials there; is that  
22 correct?

23 THE DEFENDANT: Yes.

24 THE COURT: Is one of those initials yours?

25 THE DEFENDANT: Yes.

1                   THE COURT: Have you had an opportunity to read  
2 and discuss this plea agreement with your lawyer before you  
3 signed it?

4                   THE DEFENDANT: Yes.

5                   THE COURT: And do you understand the terms of  
6 the plea agreement?

7                   THE DEFENDANT: Yes.

8                   THE COURT: The clerk will retrieve the plea  
9 agreement, please.

10                  Thank you.

11                  Mr. Howell, will you please state the substance of the  
12 plea agreement for the record.

13                  MR. HOWELL: Yes, Your Honor.

14                  THE COURT: You can be seated if you would like.  
15 You don't have to --

16                  MR. HOWELL: I feel more comfortable. Is  
17 that okay?

18                  THE COURT: Sure.

19                  MR. HOWELL: Thanks.

20                  The defendant agrees to plead guilty to Counts 1 and 7  
21 of the indictment in this case.

22                  And as terms of his plea agreement, at sentencing the  
23 United States Attorney's Office will move to dismiss the  
24 charges against the defendant in Counts 2 and 3 of the  
25 indictment in this case.

1                   The parties have agreed that there is a stipulated  
2 guideline computation noted at paragraph 17 of the plea  
3 agreement.

4                   Additionally, at this time the United States  
5 Attorney's Office has agreed to recommend the third level  
6 for acceptance of responsibility at the time of sentencing.

7                   As terms of the plea agreement, there is no agreement  
8 in regards to criminal history category.

9                   As terms of the plea agreement, the defendant  
10 acknowledges that he has waived his right to appeal except  
11 for specific instances which are noted at paragraph 20.

12                   Specifically, he reserves the right to appeal any  
13 punishment in excess of the statutory maximum or any  
14 sentence to the extent it exceeds the maximum of the  
15 sentencing imprisonment range determined under the advisory  
16 sentencing guidelines in accordance with the sentencing  
17 stipulations and computations in this agreement.

18                   Additionally, at paragraph 14, the defendant's counsel  
19 may bring to the Court's attention mental health issues  
20 concerning the defendant and will also request the Court  
21 recommend the defendant for the intense drug treatment  
22 program.

23                   Other than that, the United States and defense counsel  
24 and the defendant have agreed that after considering Title  
25 18, United States Code 3553(a) factors, the parties will

1 recommend that the Court impose a sentence within the range  
2 and the kind specified pursuant to the advisory sentencing  
3 guidelines according to the computation at paragraph 17.

4 The parties have also agreed to a factual basis and  
5 relevant conduct which is noted at paragraph 22.

6 THE COURT: Thank you.

7 Mr. Lonardo, are you in accord with the substance of  
8 the plea agreement as stated by Assistant United States  
9 Attorney Howell?

10 MR. LONARDO: Yes, I would concur, Your Honor, in  
11 the representations made by Mr. Howell.

12 THE COURT: Mr. Eisenberg, are you in accord with  
13 the substance of the plea agreement as stated by Assistant  
14 United States Attorney Howell?

15 THE DEFENDANT: Yes.

16 THE COURT: Mr. Eisenberg, has anyone, including  
17 your lawyer, the lawyer for the government, this Court, or  
18 any other Court made any promise to you other than those  
19 contained in the plea agreement to induce you to plead  
20 guilty?

21 THE DEFENDANT: No.

22 THE COURT: Sir, do you understand that if I  
23 recommend the acceptance of this agreement and Judge Boyko  
24 accepts my recommendation, that then you cannot withdraw  
25 your guilty plea?

1 THE DEFENDANT: Yes.

2 THE COURT: I direct your attention to page 6,  
3 paragraph 20 of the plea agreement.

4 Sir, do you understand that you cannot appeal your  
5 sentence except under the limited circumstances permitted by  
6 that section?

7 THE DEFENDANT: Yes.

11 THE DEFENDANT: Yes.

12 THE COURT: Sir, have you and your attorney  
13 discussed how the Sentencing Commission Guidelines might  
14 apply to your case?

15 THE DEFENDANT: Yes.

16 THE COURT: I direct your attention to paragraphs  
17 12 through 19 of the plea agreement beginning on page 4.

18 Sir, do you understand that the paragraph -- these  
19 paragraphs discuss the application of the sentencing  
20 guidelines to your case?

21 THE DEFENDANT: Yes.

22 THE COURT: And have you and your attorney  
23 discussed the range of sentence that you may receive?

24 THE DEFENDANT: Um-hum, yes.

25 THE COURT: Mr. Lonardo, if you can, without

1 waiving any attorney-client privilege, please state for the  
2 record the substance of the discussion you've had with Mr.  
3 Eisenberg as it relates to the range of sentence he may  
4 receive pursuant to the sentencing guidelines?

5 MR. LONARDO: Yes, Your Honor.

6 As set forth in the plea agreement, we have discussed  
7 that he starts -- what the offense level is to begin with, a  
8 level 30, where he sits in the sentencing table regarding  
9 that; our understanding and belief that he would receive a  
10 three-level downward deduction for acceptance of  
11 responsibility because he is accepting responsibility for  
12 the offense conduct as set forth in the plea agreement, that  
13 that would bring him -- it's my understanding and belief  
14 that he falls into a category number I. That would bring  
15 him to a 70 to 87 month range.

16 I also told him that I also intended to bring to the  
17 Court the history of his -- his mental health history and  
18 other relevant considerations in the sentencing memorandum  
19 and that it would be up to the Court as to where he would  
20 fall within 70 to 87 months.

21 I indicated to him that I fully expected him to get a  
22 recommendation for the drug treatment program because he  
23 desperately needs that program. That program has been very  
24 successful in the past with other clients of mine. And that  
25 would further reduce his sentence downward, that he would be

1       given credit for time served in this matter, and that he  
2       would also, if he lived within the requirements of the  
3       institution, in the federal institution he gets credit  
4       for -- good conduct credit which is a motivating factor.  
5       And we reviewed that aspect of it.

6           We reviewed the aspect that there is no role in the  
7       offense for him that's set forth in the plea agreement and  
8       applicable in this change of plea. And that certainly  
9       benefits him, especially under the First Step Act because  
10       under the First Step Act that recently came into effect he  
11       wouldn't be eligible for any further reductions if he had a  
12       role in the offense.

13           So --

14           THE COURT: I'm sorry to interrupt you, Mr.  
15       Lonardo. I just want to make sure, though, that you, for  
16       the record, can tell me the specifics of the conversation,  
17       if you're not going to be violating any privilege, as it  
18       relates to the application of the sentencing guidelines.

19           MR. LONARDO: Right. We did.

20           THE COURT: Thank you very much.

21           Mr. Eisenberg, are you in agreement with what your  
22       attorney has just stated?

23           THE DEFENDANT: What did you -- I'm sorry. I  
24       missed that.

25           THE COURT: Are you listening to me?

1 THE DEFENDANT: Yeah.

2 THE COURT: Okay.

3 THE DEFENDANT: Yes.

4 THE COURT: Are you in agreement with what your  
5 lawyer just said?

6 THE DEFENDANT: Yes.

7 THE COURT: Very well.

8                   Does the counsel for the United States, Mr. Howell,  
9 agree with the substance of defense counsel's position on  
10 the applicable sentencing range?

11 MR. HOWELL: Yes, Your Honor. The statements  
12 that Mr. Lonardo expressed to the Court are consistent with  
13 the conversations that we've had throughout the case and are  
14 consistent with the terms of the plea agreement.

15 THE COURT: Thank you.

24 THE DEFENDANT: Yes.

25 THE COURT: Sir, do you understand, however, that

1 the Court will determine the advisory United States  
2 sentencing guideline imprisonment range after a presentence  
3 report has been prepared by the United States Probation  
4 Office?

5 THE DEFENDANT: Yes.

6 THE COURT: Sir, do you understand that any  
7 recommendations contained in the plea agreement are not  
8 binding on the Court and the Court may impose any sentence  
9 provided by law up to the maximum we previously discussed?

10 THE DEFENDANT: Yes.

11 THE COURT: Sir, do you understand the Court  
12 alone will decide the applicable sentencing range under the  
13 advisory sentencing guidelines, whether there is any reason  
14 to depart from that range or impose a sentence outside of  
15 the guidelines and what sentence to impose?

16 In other words, do you understand that the sentence  
17 that the Court may impose may be different from any estimate  
18 that your attorney has given you?

19 THE DEFENDANT: Yes.

20 THE COURT: Sir, do you understand that if the  
21 Court imposes a sentence different from what is recommended  
22 by the government or your attorney, you have no right to  
23 withdraw your guilty plea?

24 THE DEFENDANT: Yes.

25 THE COURT: Sir, do you also understand, as

1 previously discussed, it is only under some limited  
2 circumstances that you or the government may have the right  
3 to the appeal any sentence imposed?

4 THE DEFENDANT: Yes.

5 THE COURT: Sir, do you also understand that  
6 parole has been abolished and if you're sentenced to prison  
7 you will not be released early on parole?

8 THE DEFENDANT: Yes.

9 THE COURT: Having discussed your rights with  
10 you, do you still wish to proceed with your guilty plea?

11 THE DEFENDANT: I do.

12 THE COURT: We'll now review with you the portion  
13 of the plea agreement in which you stipulate as to the facts  
14 that relate to your conduct as charged in the indictment.

15 You will have an opportunity to correct any facts you  
16 believe to be incorrect.

17 I direct your attention to page 7, paragraph 22 of the  
18 plea agreement.

19 Mr. Howell, please read the factual basis.

20 MR. HOWELL: Thank you, Your Honor.

21 In paragraph 22 it starts out, the first paragraph,  
22 paragraph and a half, are just the language of the statute  
23 as cited in the indictment as to Count 1.

24 Starting on page 8, Eisenberg directed Codefendant  
25 Jack W. Morgan to ship pallets filled with packages of

1 marijuana from California to warehouses in Euclid,  
2 Wickliffe, and Willoughby, Ohio using a commercial carrier  
3 called Specialized Transportation, Incorporated.

4 Eisenberg and others attempted to conceal the nature  
5 of the contents of the pallets containing marijuana by  
6 labeling the contents of the pallets as items such as  
7 computer parts.

8 Morgan coordinated the shipment of bulk United States  
9 currency via STI, which stands for Specialized  
10 Transportation, Incorporated, from the warehouses in Euclid,  
11 Wickliffe, and Willoughby, Ohio back to Eisenberg in  
12 California.

13 The defendants attempted to conceal the identity of  
14 the sender and receiver of the pallets containing the United  
15 States currency by labeling the pallets with the names of  
16 companies that do not exist.

17 From on or about May 28, 2014 through on or about July  
18 29, 2015, Morgan shipped approximately 1,997 pounds of  
19 marijuana from marijuana to the warehouses in the Northern  
20 District of Ohio and also shipped approximately --

21 THE COURT: I think you didn't quite get that  
22 right.

23 Why don't you start over from "from on or about May  
24 28."

25 MR. HOWELL: Through on or about July 29, 2015,

1 Morgan shipped approximately 1,997 pounds of marijuana from  
2 California to the warehouses in the Northern District of  
3 Ohio and shipped approximately \$2,333,720 in United States  
4 currency from the Northern District of Ohio to California.

5 Eisenberg paid Morgan an agreed-upon amount above the  
6 agreed-upon fee for shipping the marijuana and the bulk  
7 United States currency.

8 Eisenberg used some of the United States currency that  
9 he received to pay his living expenses, and he invested some  
10 of it in businesses to attempt to conceal the actual nature  
11 of his business and the source of the United States  
12 currency.

13 Eisenberg agrees that the United States can prove  
14 beyond a reasonable doubt that he and his coconspirators  
15 performed and caused others to perform acts in the Northern  
16 District of Ohio and elsewhere, including but not limited to  
17 all the acts outlined in Count 1 of the indictment, all in  
18 furtherance of the money laundering conspiracy.

19 THE COURT: Mr. Eisenberg, do you agree with the  
20 facts as stated so far by Assistant United States Attorney  
21 Howell?

22 THE DEFENDANT: Yes.

23 THE COURT: Mr. Howell.

24 MR. HOWELL: Thank you, Your Honor.

25 Then we move to the facts in support of Count 7.

1           In September of 2013, Aaron Eisenberg rented a  
2 commercial space at a building in Cleveland, Ohio under the  
3 name of Iceberg Promotions LLC.

4           The commercial space included a hair salon, barber  
5 shop, and tattoo parlor, collectively referred to as The  
6 Reserve.

7           Eisenberg hired Codefendant Cynthia Hounshell to  
8 manage the commercial space for renovations and the  
9 businesses, including the hair salon, barber shop, and  
10 tattoo parlor.

11           Eisenberg and Hounshell knowingly used proceeds from  
12 the distribution of marijuana to establish, renovate, and  
13 operate the businesses at The Reserve.

14           Between November of 2013 and May of 2014, Eisenberg  
15 set up a series of bank accounts at Fifth Third Bank for the  
16 businesses at The Reserve through which he and Hounshell  
17 both had signature authority.

18           In December of 2013, Hounshell opened a new bank  
19 account for Endless Interior Designs & Consulting LLC at  
20 Fifth Third Bank.

21           Eisenberg and Hounshell deposited or caused to be  
22 deposited cash in the bank accounts in the name of Millberg  
23 LLC, and Endless Interior Design & Consulting LLC in an  
24 effort to conceal the source of the cash.

25           They deposited cash into what appeared to be

1                   legitimate business accounts to conceal the fact the cash  
2                   was marijuana distribution proceeds.

3                   Eisenberg and Hounshell knowingly used the funds which  
4                   were the proceeds from the distribution of the marijuana in  
5                   the Fifth Third bank accounts of Millberg LLC and Endless  
6                   Interior Design & Consulting LLC to pay expenses associated  
7                   with the establishment, renovation, and operation of the  
8                   businesses at The Reserve.

9                   In furtherance of the conspiracy and to affect the  
10                  goals to conceal the existence of the money laundering  
11                  conspiracy, Defendants Eisenberg and Hounshell performed and  
12                  caused others to perform acts in the Northern District of  
13                  Ohio and elsewhere, including but not limited to the  
14                  following:

15                  Your Honor, and if it would please the Court, what's  
16                  outlined from the remainder of pages 10 through 18 are the  
17                  specific deposits that were referenced above in the facts  
18                  during the dates that were also outlined in the stipulation  
19                  of facts.

20                  And if it would please the Court, I wouldn't want to  
21                  read every one of those in if that's okay.

22                  THE COURT: Yeah, I was just going to have you  
23                  read the remainder of that sentence from the dates.

24                  MR. HOWELL: Okay.

25                  THE COURT: And instead of saying "the following

1 amounts," I think, if it's okay with you, Mr. Lonardo, "in  
2 the aggregate amount," which is the total at the end.

3 Is that acceptable to you, Mr. Lonardo?

4 MR. LONARDO: That's acceptable to the defense,  
5 Your Honor.

6 THE COURT: Thank you.

7 Mr. Howell.

8 MR. HOWELL: Thank you, Your Honor.

9 From on or about December 2, 2013 to on or about July  
10 8 of 2015, Eisenberg and Hounshell deposited or caused to be  
11 deposited cash, including proceeds of marijuana trafficking,  
12 into Fifth Third Bank accounts in the name of Millberg LLC  
13 and Endless Interior Designs & Consulting LLC -- and moving  
14 to page 15 at the top of the page -- in the total of  
15 \$246,904.50 in total cash deposits.

16 And that's all in violation of Title 18, United States  
17 Code, Section 1956(h) .

18 Mr. Eisenberg, are you in total agreement with the  
19 factual basis as contained in the plea agreement?

20 (Pause.)

21 THE DEFENDANT: Sorry, Your Honor.

22 THE COURT: You don't have to be sorry. I told  
23 you you can speak with your lawyer whenever you want.

24 Why don't you hit the white noise button, please.

25 Hold on once second, please, so we can get you some

1 privacy.

2 Go ahead.

3 (Defendant confers with counsel.)

4 THE COURT: Mr. Lonardo, have you had ample time  
5 to discuss with your client whatever issue he wanted to  
6 discuss with you?

7 MR. LONARDO: Yes, I have.

8 THE COURT: Mr. Eisenberg, let me ask you again.  
9 Are you in total agreement with the factual basis as  
10 contained in the plea agreement?

11 THE DEFENDANT: Yes.

12 THE COURT: Do you wish to make any changes to  
13 the factual basis of the plea agreement as it's been read to  
14 you?

15 THE DEFENDANT: I can agree with my conduct. I  
16 agree with my own conduct, but I can't speak for others.

17 THE COURT: Well, I understand. So this is a  
18 factual basis. If you wish to amend it, we will suspend  
19 these proceedings and you and your attorney and Mr. Howell  
20 can meet as it relates to an acceptable factual basis.

21 Mr. Lonardo, we'll give you some more time.

22 (Counsel confers with defendant.)

23 THE COURT: Let me begin this part of the  
24 colloquy again with you, Mr. Eisenberg.

25 THE DEFENDANT: Okay.

1                   THE COURT: Are you in total agreement with the  
2 factual basis as contained in the plea agreement?

3                   THE DEFENDANT: I am.

4                   THE COURT: Do you wish to make any change in the  
5 factual basis of the plea agreement as it's been read to  
6 you?

7                   THE DEFENDANT: No.

8                   THE COURT: Mr. Lonardo, do you agree that the  
9 factual basis covers each of the essential elements of the  
10 offense to which Mr. Eisenberg intends to plead guilty?

11                  MR. LONARDO: Yes, I do, Your Honor.

12                  THE COURT: Mr. Howell, is there anything that  
13 the Court has failed to cover prior to receiving the plea?

14                  MR. HOWELL: No, Your Honor.

15                  THE COURT: Is the United States and counsel for  
16 the United States satisfied the Court has fulfilled the  
17 requirements necessary pursuant to Criminal Rule 11?

18                  MR. HOWELL: Yes, Your Honor.

19                  THE COURT: Mr. Lonardo, is there anything the  
20 Court has failed to cover prior to receiving your client's  
21 plea?

22                  MR. LONARDO: No, Judge.

23                  THE COURT: Is counsel satisfied that the Court  
24 has fulfilled the requirements necessary pursuant to  
25 Criminal Rule 11?

1 | MR. LONARDO: Yes, I am, Your Honor.

2 THE COURT: Mr. Eisenberg, I'm prepared to  
3 receive your plea. Would you like to confer with your  
4 attorney before I ask you what your plea is?

5 THE DEFENDANT: I'm ready.

6 THE COURT: Is that a yes or no?

7 THE DEFENDANT: Yes.

10 THE DEFENDANT: Yeah, I think I --

14 THE DEFENDANT: No.

15 THE COURT: Do you have any questions of me  
16 before I ask you what your plea is?

17 THE DEFENDANT: No.

22 MR. LONARDO: Your Honor, if I just might for the  
23 record. I want to just make this is real clear. I don't  
24 want to give the impression that my client's taking this  
25 lightly or anything else. My client has a personality that

1 when he talks to you, sometimes he's smiling.

2 THE COURT: I've not taken offense at anything.

3 MR. LONARDO: Okay. Great.

4 Sometimes I did when I was talking to him. I said,  
5 "What are you smiling at?" He said, "Well, this is me."

6 THE COURT: Well, look. I can tell your client  
7 to sit up or doing anything I want without taking offense to  
8 it. So I think I did tell you to sit up earlier. I'm not  
9 taking offense to it.

10 But let me go back to this conversation.

11 MR. LONARDO: Okay.

12 THE COURT: Having advised you of your rights,  
13 having established your competence, and having found a  
14 factual basis for your plea, I ask you now, how do you plead  
15 to Counts 1 and 7 of the indictment, guilty or not guilty?

16 THE DEFENDANT: Guilty.

17 THE COURT: The record will reflect the defendant  
18 has tendered a plea of guilty.

19 For the record, it is my understanding that the  
20 defendant, Aaron L. Eisenberg, is fully competent to and  
21 capable of entering an informed plea, that he is aware of  
22 the nature of the charges brought against him and the  
23 consequences of his plea, and that his plea of guilty to  
24 Counts 1 and 7 of the indictment in this case is a knowing  
25 and voluntary plea supported by an independent basis in fact

1 containing each of the essential elements of the offenses  
2 charged.

3 I therefore recommend that Judge Boyko approve the  
4 plea agreement, accept Mr. Eisenberg's plea, and adjudge him  
5 guilty of the offense charged -- the offenses charged in  
6 Counts 1 and 7 of the indictment.

7 Mr. Eisenberg, the Court will order a presentence  
8 investigation report prior to sentencing. I advise you that  
9 it's in your best interest to cooperate with the probation  
10 officer in furnishing information for that report since that  
11 report will be important in the decision as to what your  
12 sentence will be.

13 You and your attorney will have a right and will have  
14 an opportunity to examine the report and comment on it at  
15 the time of sentencing.

16 The disposition sentence in this case has been set for  
17 March 4, 2020 at 11:00 a.m. before Judge Boyko.

18 The defendant is in pretrial detention, is therefore  
19 remanded to the custody of the United States marshal.

20 Is there anything further on behalf of the United  
21 States?

22 MR. HOWELL: No, Your Honor. Thank you.

23 THE COURT: Anything further on behalf of the  
24 defendant?

25 MR. LONARDO: No. Thank you, Judge.

1 THE COURT: Very well. We are in recess.

2 THE DEPUTY CLERK: All rise.

3 (Proceedings concluded at 11:48 a.m.)

4

5 C E R T I F I C A T E

6

7 I certify that the forgoing is a correct  
8 transcript from the record of proceedings in the  
9 above-entitled matter.

10

11 S/Caroline Mahnke

11/26/2019

12 Caroline Mahnke, RMR, CRR, CRC Date

13

14

15

16

17

18

19

20

21

22

23

24

25